

Official Diary

Friday, 27 March 1953

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1. Discussed with [REDACTED] the question of what CIA should do in the event that State stuck to its decision to withdraw from ERS activities. It was agreed that we would proceed along the following lines:

a. CIA would ask advice from the PSB as to whether the activity should be continued. In a recent meeting, the necessity of this activity had been affirmed by R&DB, PSB Staff, O/RR, O/CI and DD/P.

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b. If continued, it would be on a reduced basis, deducting the State contribution. This would mean an expenditure in the neighborhood of [REDACTED] as distinguished from [REDACTED] 25X1A1a

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c. Possibly the best location within CIA for the activity to be carried on was in [REDACTED]. This, it seemed to me, could be set up as a completely separate activity and we might even borrow State's name for dealings with outside contractors. I reserved decision on employment of the man now handling this at State.

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All of the foregoing was part of my talk with [REDACTED] this afternoon.

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25X1A9a 2. Attended a meeting in [REDACTED] office with [REDACTED] At this time, we reviewed in some detail, our discussions with [REDACTED] 25X1A9a Wenger and discussed various ways and means of amplification of our agreement with NSA. After considerable discussion, it was agreed:

a. That the first approach should be to bring the other intelligence Agencies into line with our idea of a possible partnership with NSA in this limited field and our primary responsibility in various aspects of the field.

b. That after consideration over the weekend, recommendations as to the next step would be prepared by Monday next.

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c. It was recognized that [REDACTED] should be kept fully informed on all steps taken in this matter. It was also made plain that we would proceed initially with respect to the economic field and would defer new problems in the scientific field for consideration after the economic arrangements have "jelled", to some extent.

d. The implications of any such move were explored fully. This might ultimately mean that NSA analysts would participate in the preparation of intelligence papers and that credit be given, similar to the manner in which credit was given to other IAC agencies in the production of NIEs.

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3. Discussed with [REDACTED] the following:

a. [REDACTED] after due consideration, found it necessary to give up ERS. I informed him that I was referring the question of continuing this activity to PSB for decision. If the decision was favorable, CIA would be prepared to take it over, but would request State to lend its name to the activity, since this was essential for negotiation purposes. [REDACTED] undertook to do this and volunteered to retain the slot for the present head of the unit.

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b. With respect to International Communism, [REDACTED] again assured me that he intended to continue the function within the geographic divisions and commented that the community in general was probably not fully aware of the extent to which the geographic divisions had contributed to the actual production of this unit.

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c. With respect to an allocation of responsibility between State and CIA in the economic field, I suggested that [REDACTED] have discussions with Mr. Amory who would carry forward on this. He undertook to do so.

d. There was also a brief discussion of NSA matters during which:

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(1) [REDACTED] expressed his views on the work of the ad hoc committee and explained why he tended to disagree with one of the papers they were preparing. He undertook to send me State's alternative paper. We were agreed that it was most important that the organization of the Secretariat and similar matters be brought before USCIB at an early date, even though this involved a dissent in USCIB.

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(2) [REDACTED] expressed complete agreement with the nomination of [REDACTED] as Executive Secretary of USCIB.

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4. Lunch with [REDACTED] and Mr. Amory during which we discussed:

a. Iran

b. Egypt

25X1A9a The Egyptian matter which I had earlier discussed with [REDACTED]

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25X1A9a 5. [REDACTED] PSB, inquired as to the implications of the clearance of [REDACTED] I informed him that this was primarily for Planning Board purposes; [REDACTED] would continue to be the exclusive channel in this for PSB.

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